



ILLINOIS GAMING BOARD

Press Release

For Immediate Release
Contact: Gene O'Shea
312/814-4678
Fax 312/814-4602
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Board Member Gary Peterlin responds to Media Inquiries

Editor's Note: Since casting his dissenting vote against selecting the Isle of Capri as the winning bidder for the Emerald Casino license, Illinois Gaming Board Member Gary Peterlin has received numerous requests from the media to explain his decision. The following is a statement Mr. Peterlin wishes to provide to the Media and the Public.

Statement by Illinois Gaming Board Member Gary Peterlin:

The Riverboat Gambling Act requires that several factors be considered when granting a casino gaming license. The weight given to those factors are not predetermined.

During the selection process, the Gaming Board staff was asked to prepare a chart listing various factors and the qualities of each bid, in addition to providing detailed reports on each issue. Enforcement issues in relation to the Riverboat Gambling Act and the integrity of gaming in Illinois were certainly major factors to be considered. Enforcement at different sites presented unique challenges. Special challenges do exist at the Isle of Capri/Rosemont destination.

During the past several weeks, the Department of Revenue and Governor's office were invited to meet with the Board and its staff to discuss the Board's staffing needs. The Board wished to discuss those needs not only in regards to the number of employees the Board needs to ensure the integrity of gaming in Illinois, but also in a way of providing explanation of those needs. The Gaming Board requires the staff to carry out its regulatory duties not only at the pre-existing licensing facilities but also at the new facility.

Unfortunately, new staff has not been allocated to the Board. The Governor's Office and the Department of Revenue have given no indication to the Board as to when they will be allocated. In fact, our staff has been reduced. Key positions have been replaced against the Board's wishes, such as Joseph Haughey, the Deputy Administrator for Enforcement, or left unfilled, such as the investigative staff.

This Board and its staff have been asked to complete a difficult task with little, if any, consideration to the Board and the staff's needs. At the very time when the Board's staff needs to be maintained with its high caliber, independent and competent professionals, especially in light of the work required regarding the 10th license, others have taken steps to dilute those efforts.

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I was not confident that the Board's needs, in the future, would be adequately addressed by those in a position to provide staffing needs. That is one reason why I voted against the Isle of Capri/Rosemont site.

In addition to issues regarding regulation of the Isle of Capri/Rosemont site, other factors I found significant in casting my vote included:

- (1) The revenue sharing plan with needy communities;
- (2) The economic strength of the various companies;
- (3) The projected revenues for the state;
- (4) The licensing issues that need to be resolved in other jurisdictions before suitability could be granted; and
- (5) The need for jobs and other economic factors.

The various sites each offered strength and weakness on these issues. This list, by all means, is not exhausted of all the factors considered.

For me, in weighing all the factors, I did not feel the Rosemont site was the choice I could make.

The issues are not over with respect to the awarding of this license to the purchaser of Emerald Casino Inc. There is a suitability phase that will be conducted following Judge Wedoff's confirmation of Emerald's Plan of Reorganization. It is very important that an independent Gaming Board and staff complete the suitability phase.

The Gaming Board staff, which is independent, competent and very well respected, must be allowed to adequately do their job without interference. Also, it is very important that they have, in addition to being able to remain independent, the appearance of remaining independent. The best way to do that is to provide the resources the staff feels necessary but not otherwise interfere or give the appearance of interference. Any other investigation, whether or not warranted, by any other offices or individuals are a separate issue. The investigation by the staff is part of the process and should not be impeded nor controlled.

Those calling for investigation should also support the staff's ability to do their investigation with the resources they need.

It is my belief that the Board openly and completely discussed the various factors required to be considered. With due respect, I came to a different conclusion, after weighing the factors and the information provided as did the other Board members and voted accordingly.

It was requested that representatives of the Governor meet with Members of the Board to look at the crucial staffing needs of the IGB staff. Despite one meeting, I am not confident that the additional staffing needs were forthcoming.

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In respect to the budget constraints, I understand that the State of Illinois is tightening its belt. However, many are looking at riverboat gambling as a cash cow. Unfortunately it appears that all any one is willing to do is milk the cow and not feed it. Now is not the time to squeeze the cow any harder, and without adequate staff, this is exactly what is being done.

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